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## DEPARTMENT OF AGING

*Choice, Independence and Dignity*

### BUDGET PRESENTATION

Secretary Gloria Lawlah, Maryland Department of Aging  
Senate Budget & Taxation Committee, Health and Human Services Subcommittee  
January 30, 2014  
House Appropriations Committee, Health and Human Resources Subcommittee  
February 5, 2014

Mr. Chairman (Madame Chairman), members of the Committee, I am pleased to be here today to present the budget for the Maryland Department of Aging (the "Department") for Fiscal Year 2015. I compliment Rich Harris our Legislative Services budget analyst. He has produced an excellent budget analysis. We appreciate the attention he has given to describing the services we provide and their cost effectiveness. We appreciate that the analysis recommends slight increases in four programs that are pivotal in diverting people from pre-mature or avoidable nursing home placement. The Senior Care, Senior Assisted Living, and Congregate Housing programs are often the last option before nursing home placement for people with long term care needs. These programs provide respite care, low cost assisted living, gap filling services like medical supplies, home delivered meals, and personal care.

The Maryland Access Point (MAP) program is part of the national Aging and Disability Resource Center (ADRC) initiative. The MAP program is Maryland's one-stop-shop for individuals seeking long term care information and services. MAP is a major component of Maryland's long-term care rebalancing initiative to support older adults and persons with disabilities to remain in their homes and communities rather than move to higher cost institutional placement. MAP has been a conduit for new state and federal funding sources to test new programs to allow older adults and persons with disabilities to remain at home. The on-line MAP may be found at [www.marylandaccesspoint.info](http://www.marylandaccesspoint.info).

You each have a copy of our Annual Report which describes our history, accomplishments and each of the service programs we provide. This report provides information that you and your staff may use to seek services for your constituents. You also have a one page description of services offered in your counties through your Area Agencies on Agency (AAAs).

I want to emphasize the important role of our AAAs. AAAs are designated by the Department of Aging under the Older Americans Act. We have nineteen AAAs in Maryland providing services to people in every jurisdiction. The Department provides federal and state grants and reimbursable funding to your AAA and the staff which provide direct services for over 20 programs in your counties. Maryland has one of the nation's strongest AAA networks. Maryland's AAAs, many of whom are represented here today, have successfully met long term

care service challenges facing the State and nation. They have forged new partnerships and initiated new programs to serve the expanding older adult population and younger people with disabilities. The following are examples:

- AAAs are a major partner in Maryland's newest health initiatives of **Aging and Disability Resource Centers (ADRC), Money Follows the Person (MFP), Balance Incentive Program (BIP), and Community First Choice (CFC).**
- AAAs have **shifted long term care services from institutional to community settings** and assisted Maryland residents to meet their own goals for community engagement and support services.
- AAAs are part of the national **ADRC** initiative, a nation-wide program that offers individuals a trusted and competent place to obtain long term care information and assistance. The Maryland ADRC is known as MAP.
- **AAAs know their constituents, their families and providers and they know how to locate resources to help people in their counties.**
- AAAs have provided case management services for over 15 years - serving thousands of frail older adults and persons with disabilities who are **eligible for nursing home care** but are able to remain in their homes with services through **Maryland's Medicaid Home and Community-based Waivers.**
- AAAs protect our most vulnerable population who are in nursing homes or need guardianship or protection from abuse.
- AAAs have assisted 1,739 long term nursing home residents to return to the community under **Money Follows the Person.**
- Services your constituents receive through your AAAs include:

**Information and Assistance**  
**Application for Benefits**  
**Supplemental Housing Services**  
**Education and Social Services**  
**Elder Protective Services**  
**Communities for A Lifetime**

**Health and Wellness Services**  
**Long Term Care Services**  
**Family Support Services**  
**Home Delivered Meals**  
**Employment Training and Jobs**  
**Medicare Insurance Counseling**

Maryland's population of adults over 60 years of age will grow from just over one million in 2010 to 1.7 million in 2040 representing nearly 25% of our population. We develop programs that help older adults manage the long term chronic conditions and disabilities that come to many as they age. We design our services to meet the changing way Baby Boomers think about aging, independence, and health. We implement new programs to expand person-centered home and community-based long term care services. We equip older adults to participate in the new technology environment and to manage and maintain their health and independence. We are vigilant in our efforts to protect the most vulnerable individuals who are not able to advocate for themselves.

**Department Response to Issues and Comments  
Analysis of the FY 2015 Maryland Executive Budget, 2014**

**I. Federal Sequester Impacts Federal Funds**

In 2013, the Older Americans Act (OAA) and other federal aging grant programs were reduced by approximately 5.5% due to sequestration. The Department expects these cuts to remain at the FFY 2013 levels with the exception of a few targeted nutrition programs which may be restored to FFY 2012 levels. This reduction to the OAA and other federally funded programs had a significant impact on vulnerable older adults. These cuts, if remaining in place, reduce services like nutrition, health, transportation, health insurance counseling, case management and protective services for vulnerable adults. We estimate that the initial cuts in 2013 resulted in 8,114 fewer older Marylanders receiving needed services. I am grateful and proud that our Governor and Legislature provided \$1.4 million from the State Dedicated Purpose Account to help us offset the negative effects of the sequestration in 2013. I applaud Governor O'Malley for continuing to ameliorate the anticipated sequestration in his FY 2015 budget.

**II. Medicaid Waiver Program Reorganized with New Community First Choice Program (CFC)**

CFC started on January 6, 2014. Medicaid has stated the goal of CFC is to expand community-based services to approximately 12,000 people. Expansion of services will help Maryland achieve its rebalancing goals, provide people the option of receiving needed supports and services in their homes, and allow Maryland to receive additional federal funding. The Department through AAA staff will provide case management to individuals in CFC. At this time, AAA staff serves approximately 4,000 older adults in the home and community-based waivers. CFC expects AAA staff to serve at least an additional 2,000 older adults and persons with disabilities.

**III. Lower Level of Federal Spending in FY 2015**

In July of 2013, the Department transferred certain administrative functions for the Medicaid Waiver for Older Adults to the Medicaid Agency. Those functions included billing, provider enrollment and monitoring, and quality assurance. During the transition, the Department continued to support some of the functions in billing and quality assurance through contract positions. We anticipate that the transition of these functions will be complete by July 1, 2015 and the contract positions will transfer to the Medicaid Agency.

As a former legislator, who served on the Senate Budget and Taxation Committee, I fully understand the difficult job you have ensuring a balanced budget that maximizes resources for your constituents. Thank you for your support of our budget and attention to these important issues.